

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF STROOCK & STROOCK & LAVAN, LLP
FOR THE ELEVENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Eleventh Interim Fee Application of Stroock & Stroock & Lavan, LLP (the "Application").

BACKGROUND

1. Stroock & Stroock & Lavan, LLP ("Stroock") was retained as counsel to the Official Committee of Unsecured Creditors. In the Application, Stroock seeks approval of fees totaling \$215,718.50 and costs totaling \$5,950.82 for its services from October 1, 2003, through December 31, 2003, as well as payment of fees and costs of \$100,349.50 for Chambers Associates Incorporated ("Chambers"), an asbestos issues expert¹.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended

¹ We do not review the fees and expenses of Chambers per Stroock's request.

Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Stroock an initial report based on our review, and received a response from Stroock, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted three meal expenses totaling \$122.82 for which there was insufficient detail to fairly assess the reasonableness of the charges. The entries are provided below.

12/12/2003	VENDOR: Seamless Web; INVOICE#: 33536; DATE:12/17/03 - Seh Ja Meh;	28.15
12/22/2003	VENDOR: Cavonderry's; INVOICE#: 113003; DATE: 11/30/2003 L Kruger 11/24/03	29.38
12/31/2003	VENDOR: seamless Web Professional Solutions, Inc.; INVOICE#: 32310; DATE: 11/26/2003 Food Merchants Catering (Bway) 11/25/03	65.29

For each entry we asked Stroock to provide the number of diners and specify whether the expense represents breakfast, lunch or dinner. Stroock responded as follows:

The Report notes that Stroock seeks reimbursement in the aggregate amount of \$122.82 in respect of three expenses for meals for which the Fee Auditor requests additional detail information. (Report at paragraph 3).

The first expense, in the amount of \$28.15, was charged erroneously to this client. Stroock will therefore reduce the expenses it is requesting by \$28.15.

The second expense, in the amount of \$29.38, occurred on November 24, 2003. This expense was for lunch provided to approximately four representatives of Stroock and Navigant Consulting, the Creditors' Committee's asbestos issues expert, during a

meeting to discuss asbestos liability-related matters.

The third expense, in the amount of \$65.29, occurred on November 20, 2003. This expense was for breakfast provided to approximately six representatives of Stroock and FTI Consulting, Inc., the Creditors' Committee's financial advisor, during a meeting to discuss various tax-related matters.

We accept the explanation and thus recommend a reduction of \$28.15 in expenses.

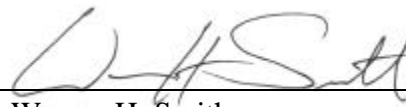
CONCLUSION

4. Thus, we recommend approval of fees totaling \$215,718.50 and costs totaling \$5,922.67 (\$5,950.82 minus \$28.15) for Stroock's services from October 1, 2003, through December 31, 2003. We offer no recommendation regarding payment of fees and costs of \$100,349.50 for Chambers Associates Incorporated.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: _____



Warren H. Smith

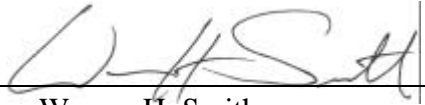
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 24th day of May, 2004.



Warren H. Smith

SERVICE LIST

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